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GOVERNOR

STATE OF MICHIGAN  
OFFICE OF FINANCIAL AND INSURANCE SERVICES  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
DAVID C. HOLLISTER, DIRECTOR

LINDA A. WATTERS  
COMMISSIONER

## **BILL ANALYSIS**

**BILL NUMBER:** House Bill 4976 (As Introduced)  
**TOPIC:** Suspension of business at financial institutions in emergencies  
**SPONSOR:** Representative Jeff Mayes  
**CO-SPONSORS:** Representatives Dillon, Cushingberry, McDowell, Hunter, Clemente, Condino, Leland, Farrah, Lipsey, Espinoza, Gillard, Accavitti, Kolb, Alma Smith, Tobocman, Green, Gonzales, Moore, Kathleen Law, Murphy, Bieda, Sheltrown and Angerer  
**COMMITTEE:** House Banking and Financial Services  
**Analysis Done:** July 22, 2005

### **POSITION**

The Office of Financial and Insurance Services (OFIS) supports this legislation.

### **PROBLEM/BACKGROUND**

Current law provides for the suspending the business of banks and savings and loan associations in the event of an existing or impending emergency. The law fails to provide in an emergency for suspending the business of savings banks and credit unions or national banks and federal savings banks and credit unions. Also, the definition of emergency under the law does not address a fuel shortage or actual or threatened terrorist attack.

### **DESCRIPTION OF BILL**

The bill would permit the suspension of business for a financial institution, which is defined as a state or national bank or state or federal savings bank, savings and loan association, or credit union. The bill would expand the definition of emergency to include fuel shortage and actual or threatened terrorist attack.

## **SUMMARY OF ARGUMENTS**

### **Pro**

The bill would fill a void in current law by permitting all types of depository financial institutions to suspend business operations in the event of an emergency. The law now provides for such suspensions only for banks and savings and loan associations. In addition, the definition of emergency in the current law does not include fuel shortage or terrorist activity. Adding such events better reflects the political realities in the 21<sup>st</sup> century.

### **Con**

None known.

## **FISCAL/ECONOMIC IMPACT**

OFIS has identified the following revenue or budgetary implications in the bill as follows:

- (a) To the Office of Financial and Insurance Services: None known.

Budgetary:

Revenue:

Comments:

- (b) To the Department of Labor and Economic Growth: None known.

Budgetary:

Revenue:

Comments:

- (c) To the State of Michigan: None known.

Budgetary:

Revenue:

Comments:

- (d) To Local Governments within this State: None known.

Comments:

## **OTHER STATE DEPARTMENTS**

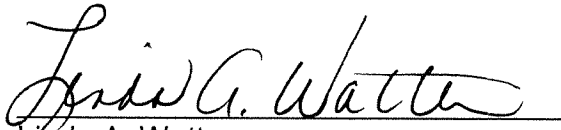
N/A.

**ANY OTHER PERTINENT INFORMATION**

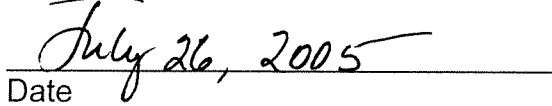
This bill was introduced in the 2001-2002 session by Representative Hummel, as House Bill 6329. It the House in November of that year on a 104-0 vote.

**ADMINISTRATIVE RULES IMPACT**

Rules cannot be promulgated to provide for administration of the act.



Linda A. Watters  
Commissioner

  
Date